

**STATE OF WASHINGTON  
DEPARTMENT OF FINANCIAL INSTITUTIONS  
CONSUMER SERVICES DIVISION**

IN THE MATTER OF DETERMINING  
Whether there has been a violation of the  
Consumer Loan Act of Washington by:

NO. C-04-107-04-SC01

CYBERLOANOFFICER.COM, INC. and  
MOHAMMED KARKUKLY, CEO and Owner,  
NAHED KARKUKLY, President and Owner  
AHMAD KARKUKLY, Vice President and  
Owner

STATEMENT OF CHARGES and  
NOTICE OF INTENTION TO ENTER  
AN ORDER TO REVOKE LICENSE, IMPOSE  
FINES AND LATE FEES, AND COLLECT  
INVESTIGATION FEE

Respondents.

**INTRODUCTION**

Pursuant to RCW 31.04.093 and RCW 31.04.165, the Director of the Department of Financial Institutions of the State of Washington (Director) is responsible for the administration of chapter 31.04 RCW, the Consumer Loan Act (Act). The referenced statutes (RCW) and rules (WAC) are attached, in pertinent part. After having conducted an investigation pursuant to RCW 31.04.145, and based upon the facts available as of June 16, 2004, the Director institutes this proceeding and finds as follows:

**I. FACTUAL ALLEGATIONS**

**1.1 Respondents:**

A. **CYBERLOANOFFICER, Inc. dba MORTGAGEBANKINGCENTER.COM** (Respondent Cyberloanofficer.com) was licensed by the Department of Financial Institutions of the State of Washington (Department) to conduct business as a Consumer Lender on October 2, 2001, and has continued to be licensed to date.

B. **MOHAMMED KARKUKLY** (Respondent Mohammed) is CEO and Owner of Respondent CYBERLOANOFFICER.COM.

C. **NAHED KARKUKLY** (Respondent Nahed) is President and Owner of Respondent CYBERLOANOFFICER.COM.

D. **AHMAD KARKUKLY** (Respondent Ahmad) is Vice President and Owner of Respondent CYBERLOANOFFICER.COM.

**1.2 Licensed Location:** Respondent CYBERLOANOFFICER.COM is licensed to conduct the business of a Consumer Lender at:

1051 Perimeter Dr Ste 300  
Schaumburg, IL 60173

**1.3 Records Location:** Respondent CYBERLOANOFFICER.COM has received approval from the Department to maintain the records relating to its Consumer Loan license at the following location outside the State of Washington:

1051 Perimeter Dr Ste 300  
Schaumburg, IL 60173

**1.4 Registered Agent:** The registered Agent for the Respondent CYBERLOANOFFICER.COM is National Registered Agents, Inc., 1780 Barnes Blvd. SW Building G, Tumwater, WA 98512-1553.

**1.5 Annual Report:** An annual report is due to the Department on or before the first day of March of each year, concerning the business and operations of each licensed place of business conducted during the preceding calendar year. The annual report must be made under oath and must be in the form prescribed by the Director. To date, Respondents have not provided the annual reports relating to the following calendar years: 2001, due by March 1, 2002; and 2002, due by March, 1, 2003.

**1.6 Annual Assessment:** A calculation worksheet and an annual assessment fee are due to the Department on or before the first day of March of each year, relating to the previous calendar year. To date, Respondents have not provided the calculation worksheets or paid the annual assessment fees for the following calendar years: 2001, due by March 1, 2002; and 2002, due by March, 1, 2003.

1 **1.7 Surety Bond:** Fidelity and Deposit Company of Maryland notified the Department on April 14, 2002,  
2 that Respondent CYBERLOANOFFICER.COM's surety bond would be cancelled effective May 29, 2002. To  
3 date, Respondents have not provided a reinstatement of the cancelled surety bond, or a replacement surety bond  
4 or approved alternative.

5 **1.8 Issuance of Directive:** On March 3, 2004, the Department served directives on Respondents by  
6 certified mail requiring Respondents to file their Consolidated Annual Reports for 2001 and 2002, to pay their  
7 annual assessments due for 2001 and 2002, and to provide the Department with a replacement surety bond since  
8 the original bond had been cancelled in 2002. There has been no response to these directives.

9 **1.9 On-Going Investigation:** The Department's investigation into the alleged violations of the Act by  
10 Respondents continues to date.

## 11 **II. GROUNDS FOR ENTRY OF ORDER**

12 **2.1 Requirement to File Annual Report:** Based on the Factual Allegations set forth in Section I above,  
13 Respondents are in apparent violation of RCW 31.04.155 and WAC 208-620-220(1) for failing to provide an  
14 annual report to the Director, under oath and in the form prescribed by the Director, on or before the first day of  
15 March, concerning the business and operations of each licensed place of business conducted during the  
16 preceding calendar year.

17 **2.2 Requirement to Calculate and Pay Annual Assessment:** Based on the Factual Allegations set forth  
18 in Section I above, Respondents are in apparent violation of RCW 31.04.085, WAC 208-620-190(3) and WAC  
19 208-620-220(1) for failing to provide to the Director a completed annual assessment calculation worksheet and  
20 failing to pay to the Director an annual assessment fee on or before the first day of March, relating to the  
21 previous calendar year.

22 **2.3 Requirement to Maintain Surety Bond:** Based on the Factual Allegations set forth in Section I  
23 above, Respondents are in apparent violation of RCW 31.04.045(3) and WAC 208-620-030(1) for failing to file  
24 and maintain a surety bond or approved alternative with the Director.

1 **2.4 Authority to Revoke License:** Pursuant to RCW 31.04.093(3)(a) and (b), the Director may revoke a  
2 license if a licensee fails to pay any fee due the state of Washington, fails to maintain in effect the required bond  
3 or permitted substitute, or fails to comply with any specific order or demand of the Director, or violates any  
4 provision of the Act or any rule adopted under the Act.

5 **2.5 Authority to Impose Late Penalties:** Pursuant to RCW 31.04.155 and WAC 208-620-220(2), a  
6 licensee that fails to file a report required to be filed by the Act within the time required is subject to a penalty  
7 of fifty dollars per day for each day's delay.

8 **2.6 Authority to Impose Fine:** Pursuant to RCW 31.04.093(4), the Director may impose fines of up to one  
9 hundred dollars per day upon the licensee for any violation of the Act.

10 **2.7 Accounting Requirements:** Pursuant to RCW 31.04.155, a licensee shall maintain accurate  
11 and current books and records and shall make such books and records readily available to the Director  
12 until at least twenty-five months have elapsed following the effective period to which the books and  
13 records relate.

### 14 **III. NOTICE OF INTENTION TO ENTER ORDER**

15 Respondents' violations of the provisions of chapter 31.04 RCW and chapter 208-620 WAC, as set forth in  
16 the above Factual Allegations and Grounds for Entry of Order, constitute a basis for the entry of an Order under  
17 RCW 31.04.093, RCW 31.04.165 and RCW 31.04.205. Therefore, it is the Director's intention to ORDER that:

- 18 3.1 Respondent CYBERLOANOFFICER.COM's license to conduct the business of a Consumer  
19 Lender be revoked;
- 20 3.2 Respondents provide to the Director completed Consolidated Annual Reports and Annual Assessment  
21 Worksheets (blank forms and instructions for 2001 and 2002 attached hereto), including all required  
22 supporting documentation, for each of the years ended December 31, 2001 and 2002, respectively;
- 23 3.3 Respondents jointly and severally pay a late penalty of \$3000 for failure to file Consolidated Annual  
24 Reports and Annual Assessment Worksheets by March 1, 2001 and 2002, respectively, relating to  
25 Respondent CYBERLOANOFFICER.COM's consumer lending activity during the years ended  
December 31, 2001 AND 2002, respectively, calculated at \$50 per day for each report, for thirty (30)  
days;

3.4 Respondents jointly and severally pay a fine of \$3000 for: failing to maintain the required bond calculated at \$100 per statutory violation per day, for 30 days;

3.5 Respondents jointly and severally pay an investigation fee in the amount of \$ 414.06 calculated at \$69.01 per hour for 6 staff hours devoted to the investigation; and

3.6 Respondents maintain records in compliance with the Act and provide the Director with the location of the books, records and other information relating to Respondent CYBERLOANOFFICER.COM's consumer lending business, and the name, address and telephone number of the individual responsible for maintenance of such records in compliance with the Act.

#### IV. AUTHORITY AND PROCEDURE

This Statement of Charges and Notice of Intention to Enter an Order to Revoke License, Impose Fines and Late Fees and Collect Investigative Fee is entered pursuant to the provisions of RCW 31.04.093, RCW 31.04.165, RCW 31.04.202 and RCW 31.04.205, and is subject to the provisions of chapter 34.05 RCW (The Administrative Procedure Act). Respondents may make a written request for a hearing as set forth in the NOTICE OF OPPORTUNITY TO DEFEND AND OPPORTUNITY FOR HEARING accompanying this Statement of Charges and Notice of Intention to Enter an Order to Revoke License, Impose Fines and Late Fees and Collect Investigative Fee.

Dated this 17th day of June, 2004.

/s/  
CHUCK CROSS  
Director and Enforcement Chief  
Division of Consumer Services  
Department of Financial Institutions

Presented by:

Deborah Bortner  
Financial Legal Examiner

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